

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

PLUMBERS UNION LOCAL NO. 12
PENSION FUND, et al.,

NO. CV-09-00214-JLQ

Plaintiffs,

CLASS ACTION

v.
AMBASSADOR'S GROUP, et al..

**CERTIFICATION ORDER
PURSUANT TO FED.R.CIV.P. 23**

Defendants.

BEFORE THE COURT is Plaintiffs' Motion for Class Certification (ECF 139) with supporting memorandum and exhibits. Defendants have filed responses stating that they have no opposition to the Motion for Class Certification. (ECF 150 & 151).

I. Discussion

Fed.R.Civ.P. 23 governs certification of class actions. The court "must determine by order whether to certify the action as a class action," and the order "must define the class and the class claims, issues, or defenses, and must appoint class counsel." Fed.R.Civ.P. 23(c)(1). Under Rule 23, "[a] class action may be maintained if two conditions are met: The suit must satisfy the criteria set forth in subdivision (a) (ie., numerosity, commonality, typicality, and adequacy of representation), and it also must fit into one of the three categories described in subdivision (b)." *Bateman v. American Multi-Cinema*, 623 F.3d 708, 712 (9th Cir. 2010).

A. Rule 23(a) Prerequisites

Rule 23(a) sets forth the necessary prerequisites to maintaining an action as a class action. Plaintiffs have addressed the prerequisites in their Memorandum. (ECF 141):

1 1. **Numerosity** (Rule 23(a)(1)) - Plaintiffs state that during the class period
2 Ambassadors Group, Inc. had over 20 million shares of outstanding common stock that
3 was publicly traded on NASDAQ, and that the reasonable inference would be that there
4 are hundreds, if not thousands, of potential class members who purchased stock during
5 the class period.

6 2. **Commonality** (Rule 23(a)(2)) - Plaintiffs contend that common questions of
7 law and fact exist as to whether the federal securities laws were violated by Defendants'
8 actions; whether statements made by Defendants to the investing public during the class
9 period omitted or misrepresented material facts about the business, financial and
10 operational results; and whether Defendants acted with the requisite state of mind.

11 3. **Typicality** (Rule 23(a)(3)) - Plaintiffs state that the claims derive from the same
12 legal theories and allege the same set of operative facts. Plaintiffs' claims being
13 essentially that they purchased common stock and allegedly suffered damages as a
14 consequence of Defendants' alleged false and misleading statements.

15 4. **Adequacy** (Rule 23(a)(4)) - The representative parties must fairly and
16 adequately protect the interests of the class. Plaintiffs assert there is no conflict between
17 the lead named representative plaintiff, MARTA/ATU Local 732 Employees Retirement
18 Plan ("MARTA") and absent class members, and that the class is represented by two law
19 firms, both with extensive class action experience, including in the area of securities
20 litigation, that have successfully prosecuted securities fraud class actions.

21 Defendants do not challenge any of Plaintiffs assertions concerning the
22 prerequisites of Rule 23(a), and the court finds the prerequisites are met.

23 **B. Rule 23(b) Requirement**

24 Plaintiffs must also comply with Rule 23(b), and Plaintiffs contend that common
25 questions of law and fact predominate over individual questions and that a class action is
26 the superior method of adjudication and thus argue that the action meets the requirements
27 of Rule 23(b)(3). Subdivision (b)(3) "is satisfied if the court finds that the questions of
28 law or fact common to class members predominate over any questions affecting only

1 individual members, and that a class action is superior to other available methods for
2 fairly and efficiently adjudicating the controversy." *Bateman v. American Multi-Cinema*,
3 623 F.3d 708, 712 (9th Cir. 2010).

4 Plaintiffs allege that common questions of law and fact predominate over
5 individual questions because Defendants' alleged misconduct affects all class members in
6 the same manner, more specifically, the allegedly false statements and omissions
7 artificially inflated the price of Ambassadors' common stock. (ECF 141 p. 9). Defendants
8 offer no opposition to Plaintiffs argument that the predominance requirement is met.

9 As to the superiority requirement: "Superiority must be looked at from the point of
10 view (1) of the judicial system, (2) of the potential class members, (3) of the present
11 plaintiff, (4) of the attorneys for the litigants, (5) of the public at large and (6) of the
12 defendant." *Bateman*, 623 F.3d at 713 (9th Cir. 2010) citing Kamm v. Cal. City Dev. Co.,
13 509 F.2d 205, 212 (9th Cir. 1975). Plaintiffs, through their counsel, seek certification,
14 and Defendants, through their counsel, have stated they have no opposition to
15 certification. Thus the parties and their counsel appear in agreement that class
16 certification of this matter is the superior method for fairly and efficiently adjudicating
17 this matter. The court agrees that the requirements of Rule 23(b) are met.

18 **IT IS HEREBY ORDERED:**

19 1. Plaintiffs' Motion for Class Certification (ECF 139) is **GRANTED**. The class
20 is defined as: All persons who purchased Ambassadors Group, Inc. publicly-traded
21 securities on the open market between July 24, 2007 and October 23, 2007, excluding
22 Defendants, the officers and directors of Ambassadors Group, Inc. at all relevant times,
23 members of their immediate families and their legal representatives, heirs, successors, or
24 assigns, and any entity in which Ambassadors Group, Inc. had or has a controlling
25 interest.

26 2. Plaintiffs also seek to have MARTA appointed as class representative.
27 MARTA claims to have purchased Ambassadors' stock between July 31, 2007 and
28 August 3, 2007. (ECF 109 p. 2). Plaintiffs state that MARTA is employing its own

1 separate fund counsel to oversee its litigation counsel and that there is no conflict
2 between MARTA and absent class members. (ECF 141 p. 8). The court hereby appoints
3 MARTA as class representative.

4 3. Lastly, Plaintiffs request that Robbins Geller Rudman & Dowd LLP ("Robbins
5 Geller") be appointed as class counsel, and Hagens Berman Sobol Shapiro LLP ("Hagens
6 Berman") be appointed as class liaison counsel. Having considered the factors set forth
7 in Rule 23(g)(1) the court appoints Robbins Geller as class counsel and Hagens Berman
8 as class liaison counsel. Robbins Geller is a firm of approximately 180 lawyers and has
9 extensive experience in securities class action litigation.¹ Hagens Berman has
10 approximately 50 attorneys and also has extensive experience handling class action
11 litigation. Considering the experience of the firms, the resources of the firms, and the
12 work done thus far in this matter, the court finds the requested appointment to be
13 appropriate.

14 **IT IS SO ORDERED.** The Clerk is hereby directed to enter this Order and
15 furnish copies to counsel.

16 || **DATED** this 17th day of March 2011.

s/ Justin L. Quackenbush
JUSTIN L. QUACKENBUSH
SENIOR UNITED STATES DISTRICT JUDGE

¹ See <http://www.rgrdlaw.com/settled-securities-fraud-cases.html> and <http://www.rgrdlaw.com/new-securities-fraud-cases.html> for a list of current and settled matters.